

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:	:	
	:	
ED'S BEANS, INC., D/B/A	:	Bankruptcy Case No. 20-22974
CRAZY MOCHA COFFEE AND	:	
KIVA HAN COFFEE	:	
	:	
Debtor.	:	Chapter 11
	:	
	:	
	:	
	:	Related Docket Nos. 150, 171, 184, 198,
ED'S BEANS, INC., D/B/A CRAZY	:	272, 275, 279, 281, 282, 298, 299 and 380
CRAZY MOCHA,	:	
CRAZY MOCHA COFFEE,	:	
CRAZY MOCHA COFFEE COMPANY,	:	Docket No. _____
KIVA HAN, KIVA HAN COFFEE,	:	
KH AND KHC,	:	
	:	Hearing Date: April 27, 2021 at 10:00 a.m.
Movant,	:	
	:	Response Date: n/a
v.	:	
	:	
FIRST COMMONWEALTH BANK,	:	
AMERICAN EXPRESS BANK,	:	
CHTD COMPANY, SWIFT FINANCIAL,	:	
LLC, U.S. SMALL BUSINESS	:	
ADMINISTRATION,	:	
225 ROSS STREET ASSOCIATES, L.P.,	:	
2700 EAST CARSON STREET ASSOC.,	:	
L.P., 412 WORKING, AARON FOX	:	
TRUST, BAUM BOULEVARD	:	
INVESTORS, LP, BRENTWOOD	:	
TOWNE SQUARE ASSOCIATES,	:	
CARNEGIE LIBRARY OF PITTSBURGH,	:	
COMPREHENSIVE HEALTHCARE	:	
MANAGEMENT SERVICES D/B/A	:	
BRIGHTON WELLNESS AND	:	
REHABILITATION, ELLSWORTH	:	
CENTER COMPANY, FOREST CITY	:	
BESSEMER COURT, L.P, HERITAGE	:	
VALLEY HEALTH SYSTEMS, HERTZ	:	
GATEWAY CENTER, LP, MELLON	:	
BANK, N.A., ONE VILLAGE SQUARE,	:	

LLC, PMC PROPERTY GROUP, PORT :
 AUTHORITY OF ALLEGHENY :
 COUNTY, SOUTHPOINTE TOWN :
 CENTER, L.P., THE PITTSBURGH :
 TRUST FOR CULTURAL RESOURCES, :
 UNIVERSITY OF PITTSBURGH, :
 UPMC EAST, NORTH SUBURBAN :
 LAND COMPANY, BRADY BUILDING, :
 LLC, THE BANK OF NEW YORK :
 YORK MELLON, 425 SIXTH AVENUE :
 ASSOCIATES UNIT B MASTER :
 TENANT, UPMC RECEIVABLES :
 PITTSBURGHSSWI NOTE OWNER, :
 LLC, and WILLIAM BARRON, :
 :
 Respondents. :

SECOND STATUS REPORT ON: (I) MOTION FOR AN ORDER AUTHORIZING AND APPROVING THE SALE OF SUBSTANTIALLY ALL OF THE CRAZY MOCHA ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, INTERESTS AND LIABILITIES PURSUANT TO 11 U.S.C. § 363 AND F.R.B.P. NOS. 2002 AND 6004; (II) FIRST OMNIBUS MOTION AUTHORIZING DEBTOR TO ASSUME AND ASSIGN UNEXPIRED LEASES PURSUANT TO 11 U.S.C. § 365 OF THE BANKRUPTCY CODE AND F.R.B.P. RULE 6006(A), (C), (E), AND (F); (III) MOTIONS FOR RELIEF FROM STAY; AND (IV) CONFIRMATION OF THE SUBCHAPTER V – SMALL BUSINESS DEBTOR’S CHAPTER 11 PLAN OF REORGANIZATION DATED FEBRUARY 25, 2021

Ed’s Beans, Inc. d/b/a Crazy Mocha, Crazy Mocha Coffee, Crazy Mocha Coffee Company, Kiva Han, Kiva Han Coffee, KH, and KHC, the Chapter 11 Debtor (the “**Debtor**”) hereby files this Second Status Report on: (I) Motion for an Order Authorizing and Approving the Sale of Substantially all of the Crazy Mocha Assets Free and Clear of All Lines, Claims, Encumbrances, Interests, and Liabilities Pursuant to 11 U.S.C. § 363 and F.R.B.P. Nos. 2002 and 6004 (“**Sale Motion**”); (II) First Omnibus Motion Authorizing Debtor to Assume and Assign Unexpired Leases Pursuant to 11 U.S.C. § 365 of the Bankruptcy Code and F.R.B.P. RULE 6006(A), (C), (E) and

(F) (“**Motion to Assume & Assign**”); (III) Motions for Relief from Stay; and (IV) Confirmation of the Subchapter V - Small Business Debtor’s Chapter 11 Plan of Reorganization Dated February 25, 2021 (“**Plan**”), respectfully representing as follows:

STATUS REPORT

1. On March 31, 2021, the Court conducted a status conference on the Sale Motion, the Motion to Assume & Assign, and the Motions for Relief from Stay and the Plan.

2. At the status conference, the Debtor informed the Court and the participating parties that the Stalking Horse Bidder, Ablak Holdings, LLC (“**Ablak**”), had advised the Debtor that it was not prepared to move forward under the Stalking Horse APA and that it requested certain modifications be made to the Stalking Horse APA, including but not limited to, a reduction in the purchase price by \$700,000 and the addition of a financing contingency.

3. At the conclusion of the status conference, the Court had agreed to continue the hearings on the Sale Motion, the Motion to Assume & Assign and the Motions for Relief from Stay until April 27, 2021.

4. Further, the Court had instructed the Debtor to submit by April 9, 2021, an amended Sale Motion, amended Stalking Horse APA and amended Bid Procedures Order with “short form” revised Notice of Sale attached for the Court consideration and approval. Also, the Court indicated that it wanted the Debtor to serve the “short form” Notice of Sale on the creditor matrix and use its best efforts to advertise the sale in local newspapers.

5. Since the status conference held on March 31, 2021, the Debtor has spent considerable time reviewing and analyzing the economics of a delay in the sale process and reduced purchase price and its impact on the Debtor’s ability to consummate a sale, pay cure costs and maintain feasibility under its Plan.

6. Additionally, the Debtor has been in contact with Ablak concerning key issues that would need to be resolved before efforts to amend the Stalking Horse APA would be undertaken by the Debtor, including the timing of closing on a sale.

7. Subsequently, the Debtor was informed by Ablak that it will need thirty (30) days from the date of entry of the order approving the sale before it will close. As such, the earliest closing can occur is May 28, 2021.

8. Upon learning of this information, the Debtor again spent considerable time determining whether the economics of a modified deal will work now with the inclusion of May 2021 rent into its cure cost analysis.

9. Based upon its review, and assuming counterparties to unexpired leases continue to cooperate with the Debtor, the Debtor believes that notwithstanding the inclusion of May 2021 rent into its analysis, the economics of the deal could still work.

10. The Debtor continues its efforts with Ablak to potentially reach agreement on a modified Stalking Horse APA, including the negotiation and drafting of amendments to the Stalking Horse APA. However, the Debtor is currently not in a position to file an amended Stalking Horse APA and amended Sale Motion.

11. On April 9, 2021, the Debtor filed with the Court a Status Report on the Sale Motion, the Motion to Assume & Assign and the Plan indicating that the Debtor needed until April 12, 2021, to get the amended Stalking Horse APA, Sale Motion and Order Approving Revised Bid Procedures filed with the Court. The Debtor and Ablak are in need of additional time to complete negotiations and ultimate agreement on a modified Stalking Horse APA.

12. Accordingly, the Debtor needs additional time until Wednesday, April 14, 2021, to reach agreement with Ablak and file the amended Stalking Horse APA, amended Sale Motion and amended Bid Procedures Order and to serve and advertise the revised Notice of Sale.

13. Originally, the Debtor suggested that April 23, 2021, serve as the new/extended bid deadline. However, with the delay in getting the amended Stalking Horse APA and amended Sale Motion filed, the Debtor now proposes that the new/extended bid deadline be April 26, 2021, which will still provide interested bidders with approximately twelve (12) days to submit bids. The Debtor will incorporate this date into the amended Bid Procedures Order and revised Notice of Sale when filed with the Court for the Court's consideration and approval.

14. The Debtor submits that the hearing on the Sale Motion, the Motion to Assume & Assign and the Motions for Relief from Stay remain April 27, 2021.

15. If the amended Stalking Horse APA, amended Sale Motion and amended Bid Procedures Order are not filed by Wednesday, April 14, 2021, the Debtor will file a further status report suggesting how the parties move forward.

Dated: April 12, 2021

Respectfully submitted,

LEECH TISHMAN FUSCALDO & LAMPL, LLC

By: /s/ John M. Steiner

John M. Steiner (Pa. ID No. 79390)
Crystal Thornton-Illar (Pa. ID No. 93003)
525 William Penn Place, 28th Floor
Pittsburgh, PA 15219
(412) 261-1600 (Phone)
(412) 227-5551 (Fax)
jsteiner@leechtishman.com
cthorton-illar@leechtishman.com

Attorneys for the Debtor, Ed's Beans, Inc.